

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

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| In re:<br>THE FINANCIAL OVERSIGHT<br>AND MANAGEMENT BOARD FOR<br>PUERTO RICO<br>as representative of<br>THE COMMONWEALTH OF<br>PUERTO RICO,<br>Debtor                           | PROMESA<br>Title III<br>No. 17-bk-3283 (LTS) |
| In re:<br>THE FINANCIAL OVERSIGHT<br>AND MANAGEMENT BOARD FOR<br>PUERTO RICO<br>as representative of<br>PUERTO RICO SALES TAX<br>FINANCING CORPORATION<br>("COFINA"),<br>Debtor | PROMESA<br>Title III<br>No. 17-bk-3284 (LTS) |

**RESPONSE TO UTILITIES MOTION**

**TO THE HONORABLE COURT**

**COMES NOW**, Stericycle of Puerto Rico, Inc., by and through its undersigned counsel, and respectfully requests as follows:

**I. INTRODUCTION AND BACKGROUND**

1. The Financial Oversight and Management Board for Puerto Rico (the "Oversight Board") was established under section 101(b) of the Puerto Rico Oversight, Management, and Economic Stability Act ("PROMESA") on June 30, 2016. On August 31, 2016, President Barack Obama appointed the Oversight Board's seven voting members.
2. Pursuant to section 315 of PROMESA, "[t]he Oversight Board in a case under this title is the representative of the debtor[s]" and "may take any action necessary on behalf of the debtor[s] to prosecute the case[s] of the debtor[s], including filing a petition under section

304 of [PROMESA]...or otherwise generally submitting filings in relation to the case[s] with the court.”

3. On September 30, 2016, the Oversight Board designated the Commonwealth of Puerto Rico (the “Commonwealth”) and the Puerto Rico Sales Tax Financing Corporation (“COFINA” and together with the Commonwealth, the “Debtors”) as covered entities under section 101(d) of PROMESA.
4. On May 3, 2017, the Oversight Board issued a restructuring certification pursuant to sections 104(j) and 206 of PROMESA, and filed a voluntary petition for relief for the Commonwealth in accordance to section 304(a) of PROMESA (the “Commonwealth Petition-Date”), commencing, thus, a case under title III thereof (the “Commonwealth’s Title III Case”).
5. On May 5, 2017, the Oversight Board issued a restructuring certification pursuant to sections 104(j) and 206 of PROMESA, and filed a voluntary petition for relief for COFINA in accordance to section 304(a) of PROMESA (the “COFINA Petition Date”, and jointly with the Commonwealth Petition Date, the “Petition Date”), commencing, thus, a case under title III thereof (“COFINA’s Title III Case” and together with the Commonwealth’s Title III Case, the “Title III Cases”).
6. On May 9, 2017, the Debtors filed a motion seeking the joint administration of the Title III Cases pursuant to section 304(g) of PROMESA and Rule 1015 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) (as made applicable to these Title III Cases by virtue of section 310 of PROMESA). See, Docket No. 41 of Case No. 17-03283 (LTS). The joint administration of the Title III Cases was authorized by this Court

on June 1, 2017. See, Docket No. 242 of Case No. 17-03283 (LTS) and Docket No. 131 of Case No. 17-03284 (LTS).

7. The Debtors, by and through the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), as the entity authorized to act on behalf of the Debtors pursuant to the authority granted to it under the *Enabling Act of the Fiscal Agency and Financial Advisory Authority*, Act 2-2017, filed a motion on May 22, 2017 (the “Utilities Motion”) requesting an Order (a) prohibiting utilities from altering, refusing or discontinuing service, (b) deeming utilities adequately assured of future performance, and (c) establishing procedures for determining adequate assurance of payment pursuant to section 366 of the Bankruptcy Code (the “Code”). See, Docket No. 210 of Case No. 17-03283 (LTS).
8. The Utilities Motion lists and designates Stericycle as one of those utility providers that will be affected by the relief sought therein. See, Docket No. 167, 210 of Case No. 17-03283 (LTS) at page 24.

## II. ABOUT STERICYCLE

### A. A brief description

9. Stericycle of Puerto Rico, Inc. is a corporation mainly dedicated to **biomedical waste management**. Is a compliance company that specializes in collecting and disposing regulated substances, such as medical waste and sharps, pharmaceuticals, hazardous waste, and providing services for recalled and expired goods. It also provides related education and training services, and patient communication services. Together with its subsidiaries, offers regulated waste management services, sharps disposal containers to reduce the risk of needlesticks, healthcare compliance services, pharmaceutical disposal, and regulated returns management services for expired or recalled products through incineration

processes. The company serves healthcare facilities such as hospitals, blood banks, pharmaceutical manufacturers. Stericycle also serves myriad small businesses, which include outpatient clinics, medical and dental offices, veterinary and animal hospitals, funeral homes, home healthcare agencies, body art studios, and long-term and sub-acute care facilities. Medical device manufacturers, consumer goods manufacturers, and retailers are also key customers.

**B. SERVICES PROVIDED BY STERICYCLE TO DEBTOR**

10. Services provides to the Debtor's agencies of the closed-captioned case are as follows:

- a. Administración de Servicios Médicos de Puerto Rico (ASEM) also known as Centro Médico de Puerto Rico, which is the main supra tertiary and trauma hospital of Puerto Rico. The service provided are medical waste management and reusable Sharp containers management.
- b. Hospital Cardiovascular de Puerto Rico y el Caribe. This is the main cardiovascular hospital for Puerto Rico and the Caribbean. The service provided are medical waste management and reusable Sharp containers management.
- c. Department of Health of Puerto Rico and their dependencies, including: the Pediatric University Hospital, Adult University Hospital, Regional Hospital of the municipality of Bayamón, Puerto Rico and the Department of Health Laboratory. The services provided, include, but are not limited to, regulated medical waste and disposal; control substance disposal and expired pharmaceutical disposal.

11. The medical waste disposal prevents infections, potential outbreaks, and cross contamination with, among others, human immunodeficiency virus (HIV), hepatitis b, hepatitis c, among others.
12. At the filing of this motion, Stericycle is the only company that have the federal and state permits for properly disposal any medical waste contaminated with Ebola virus.
13. As this Honorable Court may see, the services provided by Stericycle are imperative and essential, to the point that **it's not an option to alter or discontinue them**. Also, the medical waste disposal services provided by Stericycle are required by the hospitals and health care facilities accreditation standards.

### **III. STERICYCLE'S RESPONSE TO THE UTILITIES MOTION**

14. The Debtor is requesting an Order (a) prohibiting utilities from altering, refusing or discontinuing service, (b) deeming utilities adequately assured of future performance, and (c) establishing procedures for determining adequate assurance of payment pursuant to section 366 of the Bankruptcy Code (the "Code"). See, Docket No. 210 of Case No. 17-03283 (LTS).
15. Stericycle **have no objection** to receive as adequate assurance of future payment to Utility Providers, an administrative expense priority claim for post-petition, unpaid Utility Services pursuant to Bankruptcy Code sections 503(b) and 507(a)(2), made applicable to these Title III Cases by PROMESA section 301(a) (the "Adequate Assurance Claim").
16. Pending invoices should be paid with the same priority to assure the continuance of the mentioned services.
17. Stericycle will like to explore with the Debtor if Additional Assurance is necessary, as explained and proposed in paragraph 13(d)(f) of the Utilities Motion.

**RESPECTFULLY SUBMITTED**, this 19th day of June, 2017.

**CERTIFICATE OF SERVICE:** I hereby certify that on this same date, I electronically filed the foregoing document with the Clerk of the Court's CM/ECF system, which will provide notice thereof to all attorneys of record.

**LINARES PALACIOS LAW OFFICES**

*Attorney for Stericycle*

/s/ ***Adrián R. Linares Palacios***

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